

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6857

BILL NUMBER: SB 345

NOTE PREPARED: Jan 9, 2012

BILL AMENDED:

SUBJECT: Statewide 911 System.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides for the expiration on July 1, 2016, of provisions that: (1) establish a public safety communications system and computer facilities district in a county having a consolidated city; and (2) allow certain other counties to establish a public safety communications systems district. It provides for transitional provisions to ensure that all obligations incurred by a district before July 1, 2016, are satisfied according to their terms.

The bill repeals the statutes concerning: (1) the emergency telephone system fee (assessed by counties or municipalities for enhanced 911 service for users of wireline telephone service); (2) enhanced wireless emergency telephone service (and the accompanying fee assessed statewide on users of wireless service to provide for enhanced 911 service); and (3) emergency telephone notification systems. In place of the systems established under these repealed and expired statutes, it establishes a statewide 911 system.

The bill establishes the 11 member statewide 911 board (board) to administer the new system. The bill provides that the treasurer of state serves as the chair of the board. It also establishes the statewide 911 fund (fund). The bill appropriates money in the fund. It provides that the board shall administer the fund. The bill requires the board to impose a statewide 911 fee (fee) on each standard user of communications service in Indiana. It requires communications service providers to collect the fee as part of the monthly billing process. It also requires the board to deposit the fees collected into the fund.

The bill prohibits a state agency or a local governmental unit from imposing any additional fee relating to the provision of 911 service. It specifies the manner in which the board must distribute money from the fund to public safety answering points (PSAPs). The bill specifies the permissible uses of funds distributed to a PSAP. It allows a county to establish an emergency notification system. It requires a communications service provider to provide to a PSAP the necessary user data to enable the PSAP to implement and operate a 911

system. The bill provides that proprietary information submitted to the board is confidential. It also retains those provisions from the repealed statute concerning enhanced wireless emergency telephone service that provided that after June 30, 2014, a county may not contain more than one PSAP.

It specifies that funds remaining in: (1) the wireless emergency telephone system fund; (2) a county wireless emergency telephone system fund; or (3) a county or municipal wireline emergency telephone system fund; on July 1, 2012, are transferred to the statewide 911 fund. The bill makes conforming amendments.

Effective Date: Upon passage; July 1, 2012; July 1, 2016.

Explanation of State Expenditures: *Statewide 911 Board:* This bill creates the Statewide 911 Board. The Board consists of 11 members and is responsible for administering the Statewide 911 Fund. The Board must also set procedures for the collection and remittance of the Statewide 911 fees, and distribute appropriate amounts to each PSAP. The costs of administering the Statewide 911 Fund will be paid from the fund. The bill also allows the Board to retain at least 2% of remitted fees to reimburse the costs associated with administering the collection and remittance of fees.

Penalty Provision: This bill provides that a person who places repeated nonemergency 911 calls commits a Class D felony if the repeated calls result in a delayed response to a 911 call that results in injury or death. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$4,818 annually, or \$13.20 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: *Statewide 911 Fee:* Effective July 1, 2012, this bill repeals the existing statutes concerning the enhanced telephone 911 fee and the enhanced wireless 911 fee. The bill keeps the existing statutes concerning the prepaid wireless fee. The current wireless emergency enhanced 911 fee is \$0.50 per phone per month, and the enhanced emergency telephone system fee varies by county, from about \$0.39 to \$3 per phone per month. The bill provides that the Board shall impose the prepaid wireless fee not to exceed one-half of the statewide 911 fee. Hence the maximum prepaid fee that can be imposed by the Board under this bill is \$0.50. Under current statute, the maximum prepaid fee that can be imposed is \$0.25.

The bill imposes an initial \$1.00 statewide monthly fee for 911 services throughout the state. The bill provides that subject to legislative approval the Board may adjust the statewide 911 fee to ensure adequate revenue for the Board to fulfil the Board's duties. It is estimated that this bill would increase enhanced *wireless* fee revenue by \$24.9 M. LSA does not have reliable data to estimate how much additional revenue would be raised from the enhanced telephone fee. The fees are deposited in the Statewide 911 Fund. The fee is required to be imposed by the voice communication service providers, who are eligible to retain 1% of the fees for collection expenses.

Statewide 911 Fund: The bill creates the non-reverting Statewide 911 Fund, which will be administered by the Statewide 911 Board. The Statewide 911 fees will be deposited in this fund, and distributed to PSAPs as determined by the Board. The bill provides that funds remaining in the Wireless Emergency Telephone System Fund will be transferred to the Statewide 911 Fund in FY 2013. Also, funds remaining in a county's wireless emergency telephone system fund and emergency telephone system fund, and a municipality's emergency telephone system fund will be transferred.

Penalty Provision: If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Statewide 911 Fee Distribution:* Funds remaining in a county's wireless emergency telephone system fund and emergency telephone system fund, and a municipality's emergency telephone system fund will be transferred to the Statewide 911 Fund. The bill provides that the Board will distribute the Statewide 911 fees to each PSAP in an amount determined by the Board. The bill requires that in determining the amount of 911 fee revenue to distribute the Board shall consider the following:

1. For a distribution during the state fiscal year beginning July 1, 2012, the amount of 911 fee revenue the PSAP received during the state fiscal year ending June 30, 2012.
2. For a distribution during a state fiscal year beginning after June 30, 2013, the costs incurred by the PSAP related to 911 services provided by the PSAP during the immediately preceding state fiscal year.

Public Safety Communications System and Computer Facilities Districts: This bill provides for the expiration on July 1, 2016, of provisions that: (1) establish a public safety communications system and computer facilities district in a county having a consolidated city; and (2) allow certain other counties to establish a public safety communications systems district. It allows certain provisions to ensure that all obligations incurred by a public safety communications system and computer facilities district before July 1, 2016, are satisfied according to their terms. The bill provides that after June 30, 2016, a public safety communications system and computer facilities district may not pledge revenue from any bonds or taxes levied under IC 36-8-15.

Penalty Provision: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

Background Information:

The current fee assessed for the wireless emergency enhanced 911 fee is \$0.50 per phone per month. Revenues received from fees for FY 2009 through FY 2011 are provided in the table below.

Fiscal Year	Revenue from <i>wireless</i> enhanced 911 fee
2009	\$25.18 M
2010	\$24.60 M
2011	\$24.89 M

The bill provides that a PSAP may use a distribution only for the following:

- (1) The lease, purchase, or maintenance of communications service equipment.

- (2) Necessary system hardware and software and data base equipment.
- (3) Personnel expenses, including wages, benefits, training, and continuing education.
- (4) Consumer education concerning 911 service.
- (5) Operational costs, including costs associated with:
 - (A) utilities;
 - (B) maintenance;
 - (C) equipment designed to provide backup power or system redundancy, including generators; and
 - (D) call logging equipment.
- (6) An emergency notification system under section 40 of this chapter.
- (7) Connectivity to the Indiana data communications system (IDACS).
- (8) Other expenses approved by the board.

A PSAP may not use a distribution for the following:

- (1) Construction, purchase, renovation, or furnishing of PSAP buildings.
- (2) Vehicles.
- (3) Mobile radio equipment.
- (4) Portable communications equipment.

State Agencies Affected: Treasurer of State; Department of Homeland Security.

Local Agencies Affected: Public Safety Answering Points.

Information Sources: Barry Ritter, Indiana Enhanced Wireless 911 Board, 317-234-2507; Vicky Pool, TOS, 317-232-6260.

Fiscal Analyst: Diana Agidi, 317-232-9867.